



## Presentation Outline

Discuss 3 potential options to add \$100M in funding

- Option 1: Pay Directly with Drainage Utility Fund (DUF)
- Option 2: General Obligation (GO) Bond, repay with DUF
- Option 3: GO Bond, repay with City's property tax revenue

### FY 17 Cost to Median\* Single-Family Residential Properties for 3 Options

Option	Monthly Increase	Annual Increase	Period (Years)
1. Direct DUF	\$2.60	\$31.19	5
2. GO Bond/ DUF	\$1.04	\$12.48	20
3. GO Bond/ Prop. tax	\$1.46	\$17.48	20

\* Note: Options 1-2 based on median IC per Single Family Residential (SFR) property – 3,024 sqft. Option 3 based on median SFR value \$236,874.

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### Options 1 & 2: Direct DUF and GO Bonds with DUF Reimbursement\*

Group	Imperv. Cover (sq. ft.)**	Monthly Increase		Annual Increase	
		Option 1 5-years	Option 2 20-years	Option 1 5-years	Option 2 20-years
Quartile 1 (Lowest)	2,156	\$ 1.56	\$ 0.63	\$ 18.72	\$ 7.56
Quartile 2	2,749	\$ 2.27	\$ 0.91	\$ 27.24	\$ 10.92
<b>Median of all single-family res.</b>	<b>3,024</b>	<b>\$ 2.60</b>	<b>\$ 1.04</b>	<b>\$ 31.19</b>	<b>\$ 12.48</b>
Quartile 3	3,267	\$ 2.98	\$ 1.19	\$ 35.76	\$ 14.28
Quartile 4 (Highest)	4,367	\$ 4.31	\$ 1.73	\$ 51.72	\$ 20.76

\* Data for single, example year. Rates will vary (may be lower) if C.O. debt issued in phases.

\*\* Square feet of impervious cover for entire lot, not just dwelling units.

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### Option 3: GO Bond, repay from property tax revenue

Taxable Value	Property Tax Bill Impact	
	Monthly	Annual
\$100,000	\$0.59	\$7.08
\$200,000	\$1.18	\$14.17
\$236,874 (Median home)	\$1.46	\$17.48
\$400,000	\$2.36	\$28.34
\$800,000	\$4.72	\$56.68

- Assumptions: 20 year payback at 5% interest
- Calculations based on FY16 actual taxable values
- Median home taxable value assumes 6% homestead exemption
- Taxable values do not have a direct correlation to DUF square footages, rates, calculations, etc.
- \$100M bond phased in with \$20M bonds/per year over 5 years, impact above assumes all 5 increments

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### Conclusions

- Option 1: Pay Directly with Drainage Utility Fund (DUF)
  - Larger impact of additional \$2.60/mo for five years for median SFR DUF
  - Funding source would not require any interest payments
- Option 2: General Obligation Bond (GO), repay with DUF
  - Results in additional \$1.04/mo for 20 years for median SFR DUF
  - Interest costs total approximately \$60M over the life of the bonds
- Option 3: GO Bond, repay with property tax revenue
  - Results in additional \$1.46/mo for 20 years for median home taxable value
  - City financial policies would require voter approval
  - Interest costs total approximately \$60M over the life of the bonds
- All options hypothetical based on \$100M in funding. Could be scaled up or down with proportionate impacts.



Questions?

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